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8 April 1958

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CENTRAL INTELLIGENCE BULLETIN

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CENTRAL INTELLIGENCE BULLETIN

8 April 1958

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DAILY BRIEF

I. THE COMMUNIST BLOC

no
Communist China's foreign aid program: Peiping has budgeted \$185,000,000 for its foreign aid programs in 1958. About a fourth of this will be used to meet aid pledges to the free world of at least \$107,000,000, mainly for South and Southeast Asian countries. In addition to this amount, Communist China has pledged approximately \$740,000,000 in grants to bloc countries during the past four years.

25X1A [redacted] (Chart)

II. ASIA-AFRICA

no

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no
25X1A [redacted]
Israel-UAR: Israeli officials have agreed, following receipt of a UN survey report, to hold up digging in the Hula area "for a few days," but have also reiterated their determination to complete the drainage project there.

no
25X1A [redacted]

no
25X1A [redacted]

Cyprus: The Greek Cypriot terrorist organization EOKA is expanding its current resistance with widespread destruction of government property, and with armed attacks

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against left-wing Cypriot trade unionists. Since 1 April, which was the third anniversary of the EOKA terrorist organization, more than 30 bombings have occurred. Government property, including a police station, has suffered severe damage. The new upsurge of violence appears to be accompanied by a crime wave. [redacted]

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III. THE WEST

no

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yes

Peru: The cabinet reshuffle of 5 April is an attempt by the Prado government to satisfy growing popular dissatisfaction. The strong leftist but non-Communist Apra party will probably gain in influence with the appointment of Raul Porras Barrenechea as foreign minister. He is closely linked with the Apristas. [redacted] (Page 4)

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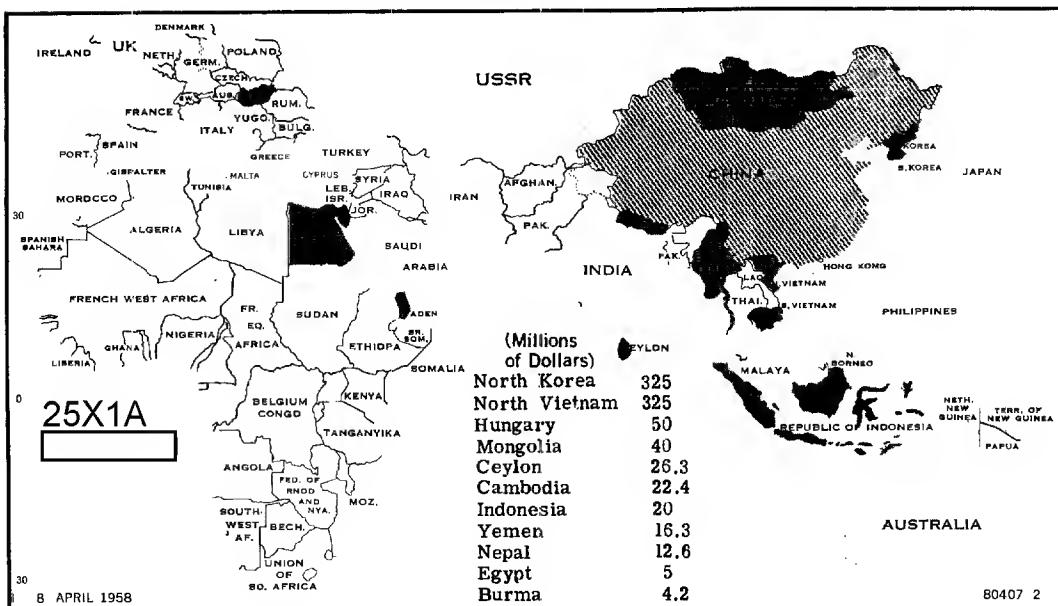
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DAILY BRIEF

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[redacted]

**COMMUNIST CHINA'S FOREIGN AID PROGRAM
COMMITMENTS SINCE 1954**



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I. THE COMMUNIST BLOC

Communist China's Foreign Aid Commitments

Communist China has already concluded four agreements with free world countries since it initiated a long-term, low-interest loan program last December. The most recent of these, a \$20,000,000 loan to Indonesia, calls for Chinese deliveries of rice and textiles worth \$15,000,000, the proceeds of which are to be used by Indonesia to build a textile factory. With the remainder of the loan, Peiping will provide machinery for this new plant.

During 1958, Burma will receive \$4,200,000 worth of machinery for a textile factory, Ceylon is to get \$10,500,000 for flood rehabilitation, and Yemen will obtain steel, heavy machinery, and technical assistance under a \$16,300,000 interest-free loan. The Yemen loan is Peiping's second move to support the bloc's economic offensive in the Middle East; it follows a \$5,000,000 foreign exchange gift to Egypt after the Suez crisis.

China first began to extend aid to the free world in 1956, mostly in the form of outright grants. Cambodia and Nepal received gifts of \$22,400,000 and \$12,600,000 respectively, mainly in the form of Chinese goods which continue to be received. In 1958 China will deliver consumer goods to Ceylon under a \$15,750,000 five-year grant to create local funds to assist in financing Ceylon's rubber replanting program.

Under earlier aid to bloc countries, \$325,000,000 was earmarked for North Korea in 1954 as a gift for rehabilitation and the same amount was promised North Vietnam, to be paid over a four-year period. Other bloc countries receiving significant gifts from China include Outer Mongolia, where Peiping is spending \$40,000,000 for the construction of light industries, and Hungary, which received \$50,000,000 in goods and foreign exchange after the uprisings in 1956. 25X1A

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III. THE WEST

Peruvian President Seeks to Stem Unrest by Cabinet Changes

Faced with serious dissatisfaction which has been growing over the past several months, President Prado on 5 April sought new support for his government by reshuffling the cabinet. The regime appears to believe that it can in this way satisfy the popular demand for change which in Peru normally would be satisfied only by a coup.

The leftist but non-Communist Apra party will probably gain in influence through Prado's appointment of Raul Porras Barrenechea as foreign minister. Porras is close to the Apra party, which was a major force in electing the conservative Prado to the presidency but which is so disliked by Peru's military that it has been given no high-level domestic government appointments. At the same time, Prado has dropped his most unpopular cabinet member, Jorge Fernandez Stoll, who as minister of interior had given some indications of strong sympathy for Communism.

The appointment of new ministers of foreign affairs, interior, and labor is not likely to lead to any immediate change in domestic Peruvian policies. [redacted]

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